

# **EXHIBIT 48**



# Intel to Reportedly Offload McAfee I Takeaways

December 17, 2018

Co-owners **Intel Corporation** INTC and TPG Capital are reportedly considering the sale of McAfee, an antivirus software company.

Thoma Bravo is reportedly in early talks to buy McAfee business from TPG and Intel. Reportedly, the private equity firm has been actively looking for cyber-security firms to acquire. The firm acquired Imperva in October and has reportedly approached Symantec SYMC.

The aggressive acquisition strategy of Thoma Bravo to consolidate cyber security domain adds weight to the rumored McAfee divestiture deal. Citing a few people familiar with this development, CNBC informed that Thoma Bravo intends to offer “a significant premium” compared with McAfee’s \$4.2 billion valuation (as of 2016).

Further, one of the informers disclosed to CNBC that Intel considers itself a financial investor for McAfee business. In case the divestiture talks lead to fruition, Intel (which owns 49% stake in McAfee business) seems well-poised to partially recover the loss incurred due to the declining valuation of McAfee.

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Notably, shares of Intel have returned 6.3% year to date against the industry's decline of 6.7%.

### Intel's Chaotic Experience With McAfee

Intel had acquired the antivirus software maker back in 2010 with a view to secure its chips and improve their threat detection power. Notably, Intel concluded the acquisition of McAfee for approximately \$7.68 billion in cash (or \$48 per share).

The original plan to integrate McAfee's cyber security technology in Intel's chips remained incomplete. The deal fell through as McAfee unit (rebranded as Intel Security in 2014) was unable to contribute significantly to Intel's revenues.

Around September 2016, Intel divested 51% stake in its security division to alternative asset fund manager TPG for approximately \$3.1 billion.

The deal was valued at \$4.2 billion with TPG infusing \$1.1 billion in the standalone business, eventually renamed McAfee, following the closure of the transaction.

Reduction of 45.3% in McAfee business value post takeover is touted as a major integration failure for Intel.

However, after divesting the majority stake to TPG, McAfee's business is transforming for the better with inorganic

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enables enterprises to supervise the cloud services leveraged by their employees.



Further, McAfee closed Tunnelbear buyout in March, this year. Tunnelbear offers virtual private networks to facilitate a secure data environment for shared WiFi account users.



### **Will Intel Benefit if Divestiture Leads to Fruition?**



Notably, McAfee has to compete in a number of areas such as network, risk management, end point and data security. Given the intensifying competition in the consolidating cyber security space, Intel has to allocate sufficient resources to maintain and enhance its McAfee business with robust new capabilities.

Furthermore, the recent business trajectory of Intel suggests company's efforts to redirect its resources into areas with better growth prospects such as the data center, memory and Internet of Things (IoT) businesses.

The company's strategy to expand TAM beyond CPU to adjacent product lines like silicon photonics, fabric, network ASICs and 3D XPoint memory is bearing fruit.

Intel's acquisition of Israel-based Mobileye, an autonomous vehicle technology provider enabled the company to penetrate the autonomous car technology market, dominated by the likes of NVIDIA and Qualcomm. The buyout provides Intel with access to Mobileye's technologies related to cameras, in-car networking, sensor-chips, roadway mapping, cloud software, machine learning and data management.

Notably, Mobileye revenues of \$191 million were up approximately 50% on a year-over-year basis, primarily driven by strength in its advanced driver assistance system (ADAS) and autonomous driving platforms-based solutions. Mobileye garnered eight new design wins from notable US



Moreover, Intel is strengthening its PSG product portfolio with eASIC buyout. The company introduced the new Programmable Acceleration Card (PAC) with Intel Stratix 10 SX FPGA in the recent past.

### To Conclude

With the closure, we believe, Intel will be well-positioned to focus on its data center business in an effective manner.

Instead of blocking resources on the development and enhancement of the McAfee unit, the company is expected to fortify its foothold in the rapidly growing ADAS market, which per recent data from MarketsandMarkets, is expected to reach a whopping \$91.83 billion, witnessing CAGR of approximately 21% between 2018 and 2025.

Additionally, a stable PC market and growth in Client Computing Group or CCG revenues bode well for the company's growth prospects.

### Zacks Rank & Other Key Picks

Intel sports a Zacks Rank #1 (Strong Buy).

Twitter, Inc. TWTR and Upland Software UPLD are other stocks worth considering in the broader technology sector, flaunting a Zacks Rank of 1. You can see **the complete list of today's Zacks #1 Rank stocks here**.

Long-term earnings growth rate for Twitter and Upland Software are currently pegged at 22.1% and 20%, respectively.

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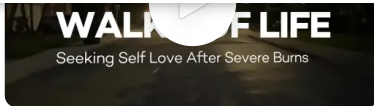
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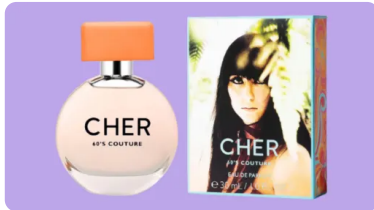
When makeup finds its way onto Oprah's Favorite Things List and it's on mega sale, it's an automatic 'add to cart'.

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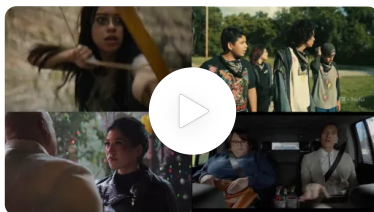


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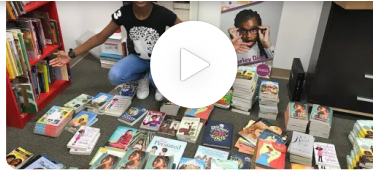
## Heads up: These Amazon Warehouse deals — from Apple to Xbox — are about to sell out

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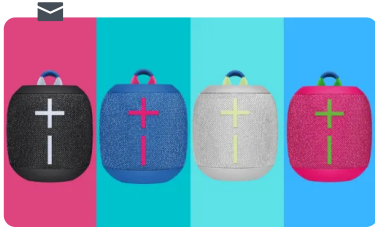


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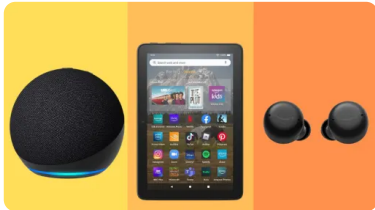
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